



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION OF NATIONAL
GRID COMMUNICATIONS, INC. FOR AUTHORITY
TO PROVIDE INTRASTATE TELECOMMUNICATIONS)
SERVICES IN THE STATE OF NEW JERSEY

ORDER

DOCKET NO. TE06010044

(SERVICE LIST ATTACHED)

BY THE BOARD:

Pursuant to N.J.S.A. 48:2-1 et seq. and Section 253 of the federal Telecommunications Act of 1996, 47 U.S.C. §151 et seq., and by letter dated January 18, 2006, National Grid Communications, Inc. ("Petitioner" or "Gridcom"), filed a Petition with the New Jersey Board of Public Utilities ("Board") requesting authority to provide all forms of facilities-based intrastate telecommunications services throughout the State of New Jersey.

Gridcom is a privately held corporation organized under the laws of the Commonwealth of Massachusetts. National Grid USA ("NGUSA") is Gridcom's parent company. NGUSA is one of the five largest energy utilities in the United States through its electric transmission and distribution operating affiliates in New York and New England such as Niagara Mohawk, Massachusetts Electric and New England Power. National Grid Transco, a UK based company, is NGUSA's parent company and is one of the top 200 companies in the world. Petitioner's principal offices are located at 25 Research Drive, Westborough, Massachusetts 01582.

Petitioner has submitted copies of its Certificate of Incorporation from the Commonwealth of Massachusetts and its New Jersey Certificate of Authority to Operate as a Foreign Corporation. According to the Petition, Gridcom was formed to provide all forms of facilities-based intrastate telecommunications services within the State of New Jersey. Petitioner states that it has obtained authority to provide facilities-based transport and connectivity between wireless facilities attached to utility poles and/or other transmission equipment in the Commonwealth of Massachusetts and in the States of New York, Rhode Island and Vermont. Petitioner states that

it has not been denied authority to provide telecommunications services, it has not been the subject of any civil or criminal proceedings and its authority has not been revoked in any jurisdiction. Petitioner has not entered into an interconnection agreement with an incumbent local exchange carrier in New Jersey. However, the said agreement will be executed, as necessary, after the Board approves its petition to provide telecommunications services in New Jersey.

Petitioner seeks authority to provide all forms of facilities-based intrastate telecommunications services within the State of New Jersey. Petitioner states that it is a facilities-based provider of transport and connectivity services between wireless facilities attached to utility poles and/or other transmission equipment that is offered to its subscribers over facilities that it owns, controls or constructs. Petitioner is also requesting authority to provide all other types of telecommunications services since it may offer such services in the future. Petitioner states that National Grid Wireless Holdings, Inc. ("National Grid") provides a Distributed Antenna System ("DAS") to the Federal Communications Commission's licensed wireless service providers and it plans to market National Grid's services to deploy and operate the DAS system. Petitioner maintains a toll-free number for customer service inquiries and under Docket No. TT06010059 has filed a proposed tariff with the Board.

Petitioner requests a waiver of N.J.S.A. 48:3-7.8 and N.J.A.C. 14:1-4.3, which requires that books and records be kept within the State of New Jersey and be maintained in accordance with the Uniform System of Accounts ("USOA"), respectively. In the interest of efficiency and to prevent undue burden, Petitioner requests permission to maintain its books and records in accordance with Generally Accepted Accounting Principles and to keep all books, records, documents and other writings incident to the conduct of Petitioner's business in the State of New Jersey at Petitioner's corporate office at Westborough, Massachusetts. Petitioner also states, upon written notice from the Board and/or Board Staff, it will provide its books and records at such time and place within New Jersey as the Board may designate and will pay any reasonable expenses for examination of the records.

Petitioner asserts that approval of its Petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserts that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings.

With regard to its technical and managerial qualifications, Gridcom states that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Petitioner has submitted the professional biographies of its key personnel who, according to Gridcom, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry.

DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey.

In considering this Petition, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). The Board also considers the New Jersey State Legislature's declaration that it is the policy of the State to provide diversity in the supply of telecommunications services and the Legislature's findings that "competition will promote efficiency, reduce regulatory delay, and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Gridcom's Petition and the information supplied in support thereof, the Board FINDS that the Petitioner is in compliance with the Board's filing requirements to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES the Petitioner to provide intrastate telecommunications services throughout New Jersey. The Board also FINDS that in accordance with N.J.S.A. 48:2-59 and 48:2-60 and N.J.S.A. 52:27E-61 and 52:27E-62, the Petitioner is subject to an annual assessment by both the Board and Division of Ratepayer Advocate, respectively. The Board notes that the Petitioner has filed a proposed tariff under Docket No. TT06010059.

The Board HEREBY ORDERS that:

- 1) Pursuant to N.J.S.A. 48:2-16(2)(b) and N.J.A.C. 14:3-6.3, Petitioner shall file an annual report as of December 31 of each year, which is due on or before March 31 of the following year. Pursuant to N.J.S.A. 48:2-16.3, if Petitioner fails to file an annual report by the due date, Petitioner shall be subject to a penalty of \$5.00 for each day thereafter until such report is filed.
- 2) Pursuant to N.J.S.A. 48:2-62, Petitioner shall file a statement of gross intrastate revenues from operations form (AR3-1) as of December 31 of each year, which is due on or before June 1 of the following year.


On or before February 1st of each year, the Petitioner will receive from the Division of Audits an annual report package and a statement of gross intrastate revenues from operations form for the preceding calendar year. The purpose of these documents is to report the Petitioner's financial information and gross intrastate revenues from operations as of December 31 of each year. The annual report and a statement of gross intrastate revenues from operations form are due on or before March 31 and June 1 of the following year, respectively. If Petitioner does not receive these documents, it is Petitioner's responsibility to obtain them from the Board. It is also the Petitioner's responsibility to ensure timely filing of these reports.


Regarding the Petitioner's request for waivers of the Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements that the Petitioner maintains its books and records in accordance with USOA and within New


Jersey. Therefore, subject to the Petitioner's continuing responsibility to provide the Board books and records upon 48 hours notice, and in the manner requested, and to pay to the Board any reasonable expenses or charges incurred by the Board for any investigation or examination of these books and records, the Board APPROVES the Petitioner's request for the exemptions from maintaining its books and records in accordance with USOA and in New Jersey.


DATED: 4/27/06

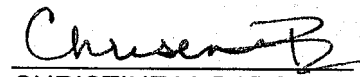
BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

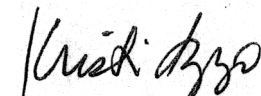

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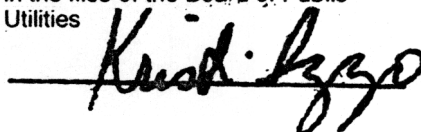

JOSEPH L. FIORDALISO
COMMISSIONER


CHRISTINE V. BATOR
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



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FOR AUTHORITY TO PROVIDE INTRASTATE TELECOMMUNICATIONS
SERVICES WITHIN THE STATE OF NEW JERSEY

DOCKET NO. TE06010044

SERVICE LIST

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